

## EXHIBIT 73

PPLPC030000397963

# Audit Committee Meeting

## **Controlled Substance Orders**

## **Responsibility for Knowing Our**

## **Customers**

**June 20, 2007**

**Presented by: Steve Seid**

# DEA Letter to Distributors

- This letter was mailed to “every commercial entity authorized to distribute controlled substances”, but it is really aimed at those distributors who supply internet pharmacies or pharmacies that have relationships with suspicious internet operations.
- DEA wants to strongly remind distributors to report suspicious pharmacy related Internet activity - particularly rogue prescribing sites, using patient questionnaires and fee-based cyberspace consultations, as well as sites that sell prescription medications and controlled substances without requiring a “consult,” etc. Essentially, distributors are reminded to “know their customers.”

# DEA Letter to Distributors

- Pat McGrath and Dan Colucci provided an overview of key controls at the November 7<sup>th</sup>, 2006 EAC Meeting.
- Russ Gasdia offered to come back to the EAC to confirm what responsibility Purdue has for knowing its end customer.

# Purdue Distributes only through Authorized Distributors

The screenshot shows the Purdue Pharma website as viewed in Microsoft Internet Explorer. The browser's address bar displays the URL: [http://www.purduepharma.com/html/our\\_products/our\\_products.htm](http://www.purduepharma.com/html/our_products/our_products.htm). The website's navigation bar includes links for 'Who We Are', 'Newsroom', 'R & D', 'Products', 'Careers @ Purdue', 'Healthcare Professionals', and 'Partners Against Pain®'. A search bar is also present. The main content area is titled 'Our Products' and features a sub-header 'Balancing innovative scientific research with clinically effective, compassionate care, Purdue is dedicated to creating products and programs of value to patients and the healthcare system.' Below this, a paragraph states: 'Founded by physician/scientists — who recognize the importance of pain management — Purdue's top priority is to continue to discover and develop new pain treatments, and to educate the healthcare community about responsible pain management. Paralleling our commitment to pain management is our ongoing concentration in such therapeutic areas as respiratory diseases and oncology, and non-prescription products including laxatives, first aid products, and dietary supplements.' The 'Prescription Medicines' section is partially visible at the bottom. On the left sidebar, under 'Prescription medicines', there is a link for 'Authorized Distributors' which is highlighted with a green arrow and the text 'Click here'. Other links in the sidebar include 'Non-prescription products', 'Betadine® Microbicides', 'Betasept® Scrub (hospital use only)', 'Colace® & Peri-Colace® Products', 'Senokot® Products', and 'Slow-Mag® Tablets'.

**Our products - Microsoft Internet Explorer**

File Edit View Favorites Tools Help

Address [http://www.purduepharma.com/html/our\\_products/our\\_products.htm](http://www.purduepharma.com/html/our_products/our_products.htm) Go Links

**PURDUE**

Who We Are Newsroom R & D Products Careers @ Purdue Healthcare Professionals Partners Against Pain®

Search  go

**Prescription medicines**

Authorized Distributors

**Non-prescription products**

Betadine® Microbicides

—For the home

—For hospitals

Betasept® Scrub (hospital use only)

Colace® & Peri-Colace® Products

Senokot® Products

Slow-Mag® Tablets

**Our Products**

Balancing innovative scientific research with clinically effective, compassionate care, Purdue is dedicated to creating products and programs of value to patients and the healthcare system.

Founded by physician/scientists — who recognize the importance of pain management — Purdue's top priority is to continue to discover and develop new pain treatments, and to educate the healthcare community about responsible pain management. Paralleling our commitment to pain management is our ongoing concentration in such therapeutic areas as respiratory diseases and oncology, and non-prescription products including laxatives, first aid products, and dietary supplements.

**Prescription Medicines**

The following list includes the companies' prescription products in the United States. To view the Prescribing Information, Patient Information, or Material Safety Data

Done Local intranet

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**Authorized Purdue Distributors**  
as of October 2006

Company	Address	City	State	Zip	Main Phone
AmerisourceBergen	1300 Morris Drive	Chesterbrook	PA	19087-5594	610-727-7000
Anda	2915 Weston Road	Weston	FL	33331	800-331-2632
Belco Drug Corp.	5500 New Horizons Blvd.	N. Amityville	NY	11701	631-789-6300
Borschow Hospital & Medical Supplies, Inc.	Lote 10, Carr 869 Km 4.2	Guaynabo	PR	00962	787-625-4100
Burlington Drug Company	92 Catamount Drive	Burlington	VT	05468-1001	802-893-5105
Capital Wholesale Drug Company	873 Williams Avenue	Columbus	OH	43212	614-297-8221
Cardinal Health	7000 Cardinal Place	Dublin	OH	43017	514-757-5000
Cesar Castillo	49A Buonomo Street	Hato Rey	PR	00919	787-999-1616
Dakota Drug, Inc.	28-32 North Main Street	Minot	ND	58702-5009	701-852-2141
Dik Drug Co.	160 Tower Drive	Burr Ridge	IL	60521	630-655-4000
DMS Pharmaceutical	810 Busse Highway	Park Ridge	IL	60068	847-518-1100
Drogueria Betances, Inc	P.O. Box 368	Caguas	PR	00726	787-653-0951
Drogueria Central	P.O. Box 1366	Dorado	PR	00646	787-251-2323
The F. Dohmen Co.	W194 N11381 McCormick Drive	Germantown	WI	53022	262-255-0022
Frank W. Kerr Company	43155 West Nine Mile Road	Novi	MI	48376	248-349-5000
Goodwin Drug Company	1410 Main Street	Wheeling	WV	26003	304-233-0260
H.D. Smith Wholesale Drug Co.	4650 Industrial Drive	Springfield	IL	62703	217-753-1688
Harvard Drug Company	31778 Enterprise Drive	Livonia	MI	48150	734-743-6300
J.M. Blanco	P.O. Box 71480	San Juan	PR	00936-8580	787-793-6262
Smith Drug Company	9098 Fairforest Road	Spartanburg	SC	29301	864-582-1216
King Drug Company of Florence	605 West Lucas Street	Florence	SC	29501	800-922-9597
Kinray Inc.	152-35 10th Avenue	Whitestone	NY	11357	718-767-1234
Louisiana Wholesale Drug Company, Inc.	301 Hwy 167 N.	Sunset	LA	70584	337-612-1040
McKesson Corporation	One Post Street	San Francisco	CA	94104	415-983-8300
Miami-Luken	265 Pioneer Boulevard	Springboro	OH	45066	937-743-7775
Morris & Dickson Co., Ltd.	410 Kay Lane	Shreveport	LA	71115	318-797-7900
NC Mutual Wholesale Drug Co.	816 Ellis Road	Durham	NC	27703-9979	919-596-2151
Prescription Supply, Inc.	2233 Tracy Road	Northwood	OH	43619	419-661-6600
Rochester Drug Cooperative	50 Jet Drive	Rochester	NY	14624	800-333-0538
Valley Drug Company	209 Green Ridge Road	New Castle	PA	16105	724-856-7235
Valley Wholesale Drug Company	1401 West Fremont Street	Stockton	CA	95203-2697	209-466-0131
Value Drug Company	One Golf View Drive	Altoona	PA	16601	814-944-9316

# Purdue Conditions of Sale

Purdue's published Conditions of Sale with our Authorized Distributors provided guidance for their responsibilities around "knowing their customers":

- An Authorized Distributor of Record (ADR) for Purdue is required to purchase all Purdue products that the authorized distributor of record distributes from Purdue. Purchase of any Purdue products for distribution from other than Purdue will be considered a compromise of product integrity.
- An ADR is authorized to distribute Purdue products to appropriate retail pharmacies, online pharmacies, institutions, and healthcare professionals, who meet state licensure in the state(s) in which a wholesaler operates. Appropriate online pharmacies that dispense Purdue products must meet all state and federal guidelines for dispensing prescription drugs on a valid prescription that meets all legal requirements.
- An ADR cannot make improper product claims or misrepresentations of Purdue products. This includes, but is not limited to, the dissemination of false information about a Purdue product and the dissemination of product mislabeled or altered from the approved labeling.



# Knowing our Customers

- For 13 of the Authorized Distributors we have a system in place in SAP that alerts Steve Seid in the event orders are out of normal parameters, requiring Steve's review. ALL sales orders for controlled substances are subject to SOP 7.7 – System to disclose suspicious orders of Controlled Substance
- Only two retailers have bought directly from Purdue, Walgreen and Wal-Mart, but do not do so now.
- If we are concerned about their customer base we have the right to stop selling the account. Recently a division of AmerisourceBergen was shut down by the DEA for selling to certain internet pharmacies. ABC contends they had they valid DEA licenses on file. They have since ceased shipping the accounts in question.

# Knowing our Customers

- When get a request for an account to purchase directly it is vetted through Sales, Credit (Dan Colucci), and Corporate Security. It has been a couple of years since we authorized a distributor.